

**MINUTES OF REGULAR MEETING  
ILLINOIS GAMING BOARD  
JANUARY 28, 1997  
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

The Illinois Gaming Board ("Board") held its Regular Meeting on January 28, 1997 in the auditorium on the 5th floor of the State of Illinois Building, Chicago, Illinois, pursuant to the Illinois Open Meetings Act, 5 ILCS 120/1 et seq.

The following Board Members were present for the entire meeting: J. Thomas Johnson, Chairman; and Members William B. Browder and Robert F. Vickrey. Board Members Byron G. Cudmore and Gayl S. Pyatt were present telephonically for the Closed session only.

Also in attendance were: Administrator Michael A. Belletire, Deputy Administrators Joseph C. Haughey, Kevin Lockhart and Thomas Swoik, Chief Legal Counsel Mareile' B. Cusack, other members of the staff, the media, the general public and interested parties.

Chairman Johnson called the meeting to order at 9:30 a.m. Member Browder moved **that the Board retire to Closed Session pursuant to Section 2(c), paragraphs (1), (4), (11), (14) and (21) of the Open Meetings Act, to discuss the following subject matters:**

- 1. Issues Concerning Applicants and Licensees**
- 2. Recommendations of Administrative Law Judges**
- 3. Pending and Probable Litigation Matters**
- 4. Investigatory Matters**
- 5. Personnel Matters**
- 6. Closed Session Minutes**

Member Vickrey seconded the motion. The Board adopted the motion by unanimous consent.

The Board reconvened in Open Session at 1:32 p.m.

**(Board Secretary Note: Only Members Johnson, Vickrey and Browder were present and voting on items considered in open session.)**

Board Minutes

Member Vickrey moved **that the Board approve the minutes from the open and closed sessions of the December 3, 1996 regular meeting.** Member Browder seconded the motion. The Board approved the motion unanimously by voice vote.

Member Vickrey moved **that the Board approve the minutes from the open and closed sessions of the December 13, 1996 special meeting.** Member Browder seconded the motion. The Board approved the motion unanimously by voice vote.

#### Chairman's Report

Chairman Johnson reported that last year the Board undertook a survey of the employees of owner-licensees. Board members anticipate releasing the Employee Survey Report before the next Board meeting. Chairman Johnson stated that 9,396 out of 11,722 employees completed the survey. Chairman Johnson summarized the findings of the survey.

Chairman Johnson reported on credit practices among owner-licensees. He stated that generally, it appears that the credit practices of licensees are sound. Despite sound practices, the Chairman asked staff to undertake a review of the credit policies and practices of licensees. He further requested that staff incorporate the review of licensee practices as part of the annual licensure renewal process.

The Chairman noted that Hollywood Casino Aurora ("HCA") requested the authorization of the game of Poker. The Chairman encouraged commentary from other owner licensees during HCA's presentation.

Finally, the Chairman noted that an additional item was added to the Agenda. Administrator Belletire will give an update on legislation that has been introduced during the Spring session. This item will be on future agendas while the General Assembly remains in session.

#### Administrator's Report

Administrator Belletire summarized the following monthly statistical reports: Adjusted Gross Receipts, Underage Patrons, Cruise Disruptions/Cancellations and Credit Issuance. He noted that for the month of December, 1996 AGR followed a pattern similar to that of the preceding few months. AGR totaled \$85.6 million, largely unchanged from the November tally and down 11 percent from December, 1995. Admissions for December equaled those of November and exceeded 1995 levels by 3.3 percent. Administrator Belletire noted that early in January the State of Illinois received its one billionth dollar in gaming tax revenues.

Administrator Belletire reported: owner-licensee personnel changes; the completion of Hollywood Casino Corporation's distribution to HCC shareholder's of its 80 percent holdings in the Pratt Hotel Company (now, Greate Bay Casino Corporation); Players International, Inc.'s December 18, 1996 closing of its amended Line of Credit agreement; pending Form 1 application withdrawals; and, authorized gaming positions.

#### Owner Licensees Items

PAR-A-DICE GAMING CORPORATION ("PGC") - Donna More, representing PGC, requested renewal of its owner's license.

Robert Boughner, Executive Vice President and COO of Boyd Gaming Corporation, updated the Board on events that have occurred since the ownership transfer of PGC. He stated that a formalized assessment has begun to find ways to enhance the current facility so that PGC can compete more effectively. Key executives and supervisors on the property will go through an Executive Management Orientation program to learn the history of Boyd Gaming and the culture in which Boyd operates.

Maundy Collins, General Manager of Boyd Gaming's Central Region, reported that all employees of PGC will be met with to go over the new employee handbook and benefits plan. Mr. Collins discussed the on-going training programs that PGC employees will participate in.

Member Vickrey asked Mr. Collins to discuss how PGC will address the issues of promoting Illinois tourism and assisting economic development in 1997. Mr. Collins stated that PGC is in the process of putting together a new business and marketing plan for 1997-98. PGC's main goal is to bring tourism to Illinois to increase market growth in East Peoria. Mr. Collins also stated that they are working closely with Peoria officials on various city projects.

Member Vickrey asked Mr. Collins to address the Par-A-Dice Hotel's occupancy levels and future plans. Mr. Collins indicated that the hotel started out with 25 to 40 percent occupancy levels but is currently enjoying a 60 percent occupancy rate.

Chairman Johnson asked Mr. Collins to have an update for the February Board meeting regarding what investment and disinvestment decisions the Boyd Group has implemented.

SOUTHERN ILLINOIS RIVERBOAT CASINO CRUISES, INC. ("SIRCC") - Mike Ficaro along with Mike Crider, representing SIRCC, requested renewal of its owner's license. Mr. Ficaro also invited the Board to hold the February Board meeting in Metropolis.

Member Vickrey asked Mr. Crider to give his view on the competitive situation between SIRCC and the Evansville, Indiana operation. Mr. Crider responded that the market or population within a fifty mile radius of the Evansville facility is twice the size of SIRCC's market base, affording Evansville a larger AGR and admissions. Mr. Crider stated that the other factor is distance between major market areas and gaming location. He noted that the SIRCC and Evansville operations are the same distance from Nashville, Tennessee but Evansville is one hour closer to the Louisville, Kentucky market. Mr. Crider concluded that the Evansville operation's success over the past year is due to a draw from larger metropolitan areas.

Member Vickrey inquired as to the population of Evansville and Metropolis and what inter-state highways run between these cities. He also asked Mr. Crider to describe the impact Evansville has had on SIRCC's adjusted gross receipts and admissions. Mr. Crider responded that SIRCC has seen a decrease of approximately 10 percent in gross revenues and a 5 percent decrease in passenger counts. SIRCC believes they have offset losses to Evansville with expansion into the Tennessee market. He also observed there were no inter-state or major highways connecting Metropolis and Evansville.

Member Vickrey asked Mr. Crider to be prepared at the February Board meeting to discuss further how SIRCC intends to increase their market share.

Chairman Johnson asked Mr. Crider to be prepared to discuss recent and planned investments.

HOLLYWOOD CASINO AURORA, INC. ("HCA") - Richard Knight, representing HCA, requested that Poker be added to the list of approved games in the State of Illinois. Mr. Knight feels it is time to look at Poker as a viable means of bolstering table game revenues.

HCA believes the market in Illinois can be a good market for Poker. HCA currently operates Poker at their facility in Tunica, Mississippi and HCA's affiliate, the Sands Hotel in Atlantic City, New Jersey. Mr. Knight introduced Dominic Morreale. Mr. Morreale has eighteen years of gaming experience. For the last 2 1/2 years he has been the poker room manager at the HCA Tunica facility.

Mr. Knight and Mr. Morreale covered a variety of concerns HCA believes to be of importance to the operation of Poker in Illinois. Items discussed were:

- Dealers would be employees of the owner-licensee;
- "Shills" and/or "Proposition Players" will not be allowed;
- Dealer tips will be pooled with the tips for all table game staff;
- Team play will be prevented by three levels of supervision (the dealer, supervisor and surveillance);
- Poker games to be offered (Seven Card Stud, Omaha and Hold-Em);
- Rules and warnings will be listed in the Poker room and a table plaque will indicate the type of game being played and the limits for that table;
- House rules, table plaques, surveillance procedures and Internal Controls should assure Poker games are conducted properly;
- Disruptive players or those suspected of collusion would be evicted from the riverboat;
- How the House will be paid: taking a "rake"; or an hourly fee (charged per player) collected at the top and bottom of the hour;
- Day(s) and time(s) Poker will be offered;
- Competition from adjoining states;
- Instituting Poker on a test basis; and,

- Poker tournaments.

Chairman Johnson asked the Administrator to develop a resolution reflecting appropriate safeguards, for the play of Poker in Illinois.

ELGIN RIVERBOAT RESORT (reorganization) - Chairman Johnson announced that this will be deferred to the February Board meeting, due to the complexity of the reorganization.

ALTON GAMING COMPANY - Mark Heffernan, representing Alton Gaming Company, requested approval of Lori Ann Elliot as Slot Manager. Member Vickrey moved **that the Board approve Lori Ann Elliot as a Level 1 occupational licensee Alton Gaming Company.** Member Browder seconded the motion. The Board approved the motion unanimously by voice vote.

#### Supplier Licensees

Member Vickrey moved **that the Board approve Innovative Gaming, Inc.'s request to withdraw its application for a Supplier's license.** Member Browder seconded the motion. The Board approved the motion unanimously by voice vote.

#### Occupational Licensees

Member Vickrey moved **that the Board approve 159 applications for an Occupational License, Level 2, and 389 applications for an Occupational License, Level 3, and deny 6 applications for an Occupational License, Level 3.** Member Browder seconded the motion. The Board approved the motion unanimously by voice vote.

#### Administrative Hearings/ALJ Reports

Member Vickrey moved **that the Board deny the hearing requests submitted by the following due to their failure to comply with Board Rule 3000.405: Patricia Gant, Armel Gines, Laura Moreno, and Derrick Williamson.** Member Browder seconded the motion. The Board approved the motion unanimously by voice vote.

#### Complaints and Disciplinary Actions

Member Vickrey moved **that the complaint for disciplinary action against Empress River Casino Joliet ("Empress") be issued and that Empress be fined in the amount of \$50,000. The complaint involves Empress' failure to perform preventive maintenance in a timely fashion.** Member Browder seconded the motion. The Board approved the motion unanimously by voice vote.

Member Vickrey commented on the seriousness of this matter. He reminded all owner-licensees that in July, 1996 the Board passed a resolution permitting waivers to Board rule 3000.510. Member Vickrey further asked licensees to stay on top of the preventive maintenance schedules to ensure public safety.

Member Vickrey moved **that the complaint for disciplinary action against Olegario Valdez be issued and that his license be revoked. The complaint involves Mr. Valdez' theft of tokens from the Grand Victoria Casino.** Member Browder seconded the motion. The Board approved the motion unanimously by voice vote.

Board Policy Discussion Items

LEGISLATIVE UPDATE - Administrator Belletire briefed the Board on two bills that have been introduced in the Spring legislative session.

The first, HB117, introduced by Representative Steve Davis, is a measure that eliminates the admission tax and increases the wagering tax from 20 percent to 25 percent. It also creates a cruising season (April 1-October 31) in which the owner licensee may conduct dockside gaming provided that the licensee makes 100 gaming excursions during the cruising season. Administrator Belletire stated that another provision allows for licensed owners to conduct gambling 24 hours a day. Gambling is currently not allowed 24 hours a day by Board policy.

The second measure, HB213, introduced by Representative Brunsvold, permits gambling on barges, creating permanent dockside casino facilities. It also allows a licensee to receive permission from the Board to operate at a second home dock location and move up to two-thirds of its gaming positions to that second location. It also allows for a renewal period of up to four years.

Administrator Belletire asked for guidance from the Board.

Member Vickrey moved **that the Administrator advance to legislators the Board's position to oppose any 24 hour gaming in Illinois.** Member Browder seconded the motion. The Board approved the motion unanimously by voice vote.

There being no further business to come before the Board, Member Vickrey moved **that the Board stand adjourned.** Member Browder seconded the motion. The Board approved the motion unanimously by voice vote and adjourned at 2:55 p.m.

Respectfully Submitted,

Susan A. Offord  
Secretary of the Board